



SCIENTEX BERHAD
(Company No: 7867-P)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30 April 2011

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 April 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.4.2011 RM'000	Preceding year corresponding quarter 30.4.2010 RM'000	Current year to date 30.4.2011 RM'000	Preceding year corresponding period 30.4.2010 RM'000
Revenue	217,312	179,502	598,823	503,130
Operating profit	26,144	19,368	71,055	48,201
Interest expense	(399)	(496)	(1,174)	(800)
Investing results	140	418	810	1,643
Profit before tax	25,885	19,290	70,691	49,044
Taxation	(4,747)	(2,046)	(12,360)	(5,122)
Profit for the period	21,138	17,244	58,331	43,922
Profit attributable to:				
Equity holders of the Company	20,388	16,823	56,469	42,489
Minority interests	750	421	1,862	1,433
Profit for the period	21,138	17,244	58,331	43,922
Earnings per share attributable to equity holders of the Company (sen)	9.48	7.81	26.23	19.73

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 April 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.4.2011 RM'000	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2010 RM'000
Profit for the period	21,138	17,244	58,331	43,922
Other comprehensive loss :				
Foreign currency translation differences	-	(778)	(817)	(1,639)
Total comprehensive income for the period	21,138	16,466	57,514	42,283
Total comprehensive income attributable to:				
Equity holders of the Company	20,388	16,181	55,796	41,077
Minority interests	750	285	1,718	1,206
Total comprehensive income for the period	21,138	16,466	57,514	42,283

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)



SCIENTEX BERHAD
(Company No.7867-P)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 April 2011

	AS AT CURRENT FINANCIAL QUARTER ENDED 30.4.2011 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31.07.2010 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	198,828	205,083
Land held for property development	216,446	216,675
Investment in jointly controlled entity	22,462	-
Investment in associates	9,730	8,882
Other investments	5,037	5,037
	452,503	435,677
Current assets		
Property development costs	65,193	54,404
Inventories	53,642	63,375
Trade and other receivables	126,444	98,254
Derivative financial assets	340	-
Cash and bank balances	37,675	23,353
	283,294	239,386
TOTAL ASSETS	735,797	675,063
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	115,000	115,000
Reserves	342,939	299,348
	457,939	414,348
Minority interests	37,920	36,449
Total equity	495,859	450,797
Non-current liabilities		
Borrowings	18,421	26,169
Retirement benefit obligations	6,314	6,314
Deferred tax liabilities	20,639	20,639
	45,374	53,122
Current liabilities		
Borrowings	47,375	42,019
Retirement benefit obligations	448	659
Trade and other payables	138,850	125,183
Income tax payable	7,891	3,283
	194,564	171,144
Total liabilities	239,938	224,266
TOTAL EQUITY AND LIABILITIES	735,797	675,063
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.13	1.92

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)



SCIENTEX BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 APRIL 2011**

	Attributable to Equity Holders of the Company											
	Non-distributable							Reserves		Total	Minority interests	Total equity
	Issued capital	Share premium	Property revaluation surplus	Foreign exchange reserve	Treasury shares	Warrant and other reserves	Capital redemption reserve	Retained earnings				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 August 2010	115,000	21,350	31,613	(1,371)	(21,082)	461	17,467	250,910	414,348	36,449	450,797	
Effect of adopting FRS 139	-	-	-	-	-	-	-	1,439	1,439	103	1,542	
At 1 August 2010, as restated	115,000	21,350	31,613	(1,371)	(21,082)	461	17,467	252,349	415,787	36,552	452,339	
Total comprehensive income for the period	-	-	-	(673)	-	-	-	56,469	55,796	1,718	57,514	
Acquisition of treasury shares	-	-	-	-	(728)	-	-	-	(728)	-	(728)	
Acquisition of additional interest in an existing subsidiary	-	-	-	-	-	-	-	-	-	(350)	(350)	
Dividends	-	-	-	-	-	-	-	(12,916)	(12,916)	-	(12,916)	
At 30 April 2011	115,000	21,350	31,613	(2,044)	(21,810)	461	17,467	295,902	457,939	37,920	495,859	
At 1 August 2009	115,000	21,350	35,878	984	(21,081)	461	17,467	205,035	375,094	36,136	411,230	
Total comprehensive income for the period	-	-	-	(1,412)	-	-	-	42,489	41,077	1,206	42,283	
Acquisition of additional interest in existing subsidiaries	-	-	-	-	-	-	-	-	-	(73)	(73)	
Dividends	-	-	-	-	-	-	-	(10,770)	(10,770)	-	(10,770)	
At 30 April 2010	115,000	21,350	35,878	(428)	(21,081)	461	17,467	236,754	405,401	37,269	442,670	

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)



SCIENTEX BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the nine months ended 30 April 2011

	9 MONTHS ENDED 30.4.2011 RM'000	9 MONTHS ENDED 30.4.2010 RM'000
Net cash generated from operating activities	71,493	40,550
Net cash used in investing activities	(33,092)	(75,314)
Net cash (used in)/generated from financing activities	(24,079)	46,493
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>14,322</u>	<u>11,729</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>23,173</u>	<u>15,439</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>37,495</u>	<u>27,168</u>

Cash and cash equivalents in the cash flow statement comprise :

Cash and bank balances	33,223	19,148
Short term deposits	4,452	8,200
Bank overdrafts	(180)	(180)
	<u>37,495</u>	<u>27,168</u>

(The Condensed Consolidated Statement of Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2010)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2011

A. Compliance with Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and Bursa Listing Requirements

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2010. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 July 2010, except for the following:

(i) Adoption of New and Revised FRSs, Issues Committee ("IC") Interpretations and Amendments

In the current financial year beginning 1 August 2010, the Group adopted the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements and are relevant to its operations:

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 132	Financial Instruments: Presentations
Amendment to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
Improvements to FRSs 2009	Improvement to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above pronouncements did not result in any significant changes in the accounting policies and presentation of the financial results of the Group, other than as set out below:

(a) FRS 101 (revised), Presentation of Financial Statements

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements.

The Group has elected to show other comprehensive income in a separate statement from the income statement and hence, the consolidated statement of changes in equity will include only details of transactions with owners. All non-owner changes in equity are presented in the consolidated statement of comprehensive income.

This standard does not have any impact on the financial position and results of the Group.

(b) FRS 7, Financial Instruments Disclosures

With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classifications. This standard requires additional disclosures, both quantitative and qualitative of the Group's exposures to risks, enhanced disclosures regarding components of the Group's financial position and performance, and possible changes to the way presenting certain items in the financial statements. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures have been made in these interim financial statements.

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A1. (i) Adoption of New and Revised FRSs, Issues Committee ("IC") Interpretations and Amendments (Contd.)

(c) FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are initially recorded at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 August 2010. The effects of the remeasurement on 1 August 2010 of the financial instruments brought forward from the previous financial year are adjusted to the opening retained profits as disclosed in the statement of changes in equity.

Prior to the adoption of FRS 139, financial derivatives of the Group were recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, the financial derivatives are stated at fair value which is equivalent to the marking of the financial derivatives to market, using prevailing market rates. Financial derivatives with positive market values (unrealised gains) are included under current assets and financial derivatives with negative market values (unrealised losses) are included under current liabilities in the statement of financial position. Any gains or losses arising from changes in fair value on financial derivatives during the financial period that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are taken directly to the income statement.

(d) Amendments to FRS 117, Leases

The amendments to FRS 117 requires entities with existing leases of lands and buildings (combined) to reassess the classification of lands as a finance or operating lease. The Group has reclassified the existing leasehold lands to property, plant and equipment following this reassessment, with no effect on the reported profit or equity. However, as a result of the adoption of the Amendments to FRS 117, comparatives balances have been restated as follows:

31 July 2010	As previously reported RM'000	Effects of changes in FRS 117 RM'000	As restated RM'000
Property, plant and equipment	170,906	34,177	205,083
Prepaid land lease payments	34,177	(34,177)	-

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2010 was not qualified.

A3 Seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current financial quarter under review.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior interim periods that have a material effect in the current financial quarter under review.

A6 Changes in debts and equity securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares except for the following:

Treasury shares

During the current financial period ended 30 April 2011, the Company repurchased 363,100 ordinary shares of RM0.50 each from the open market. The repurchased shares were held as treasury shares. As at 30 April 2011, the number of treasury shares held was 14,959,562 ordinary shares of RM0.50 each.

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A7 Dividends paid

No dividend has been paid in the current financial quarter under review.

A8 Segment information

Segment information is presented in respect of the Group's business segments.

Current financial quarter ended 30 April 2011

<u>Revenue</u>	RM'000
Manufacturing	159,170
Property development	58,142
Total revenue	<u>217,312</u>
<u>Results</u>	RM'000
Manufacturing	8,129
Property development	18,015
Profit from operations	<u>26,144</u>
<u>Reconciliation of profit before taxation</u>	RM'000
Profit from operations	26,144
Investing results	140
Finance cost	(399)
Profit before taxation	<u>25,885</u>

Current year to date ended 30 April 2011

<u>Revenue</u>	RM'000
Manufacturing	439,854
Property development	158,969
Total revenue	<u>598,823</u>
<u>Results</u>	RM'000
Manufacturing	23,211
Property development	47,844
Profit from operations	<u>71,055</u>
<u>Reconciliation of profit before taxation</u>	RM'000
Profit from operations	71,055
Investing results	810
Finance cost	(1,174)
Profit before taxation	<u>70,691</u>

A9 Valuation of property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the audited financial statements for the year ended 31 July 2010.

A10 Events subsequent to the end of the reporting period

On 20 June 2011, the Company announced that Scientex Packaging Film Sdn Bhd, its wholly owned subsidiary, entered into a Sale and Purchase Agreement with Central Spectrum (M) Sdn Bhd to purchase an industrial land at Pulau Indah Industrial Park, Selangor Darul Ehsan for a total cash consideration of RM12,017,332.80.

Other than the above, there were no material events subsequent to the end of the current financial quarter that have not been reflected in the financial statements for the said period as at the date of this report.

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A11 Changes in the composition of the Group

On 18 March 2011, the Company announced that it has entered into a Shareholders Agreement for Joint Venture with Mitsui Chemicals Tohcello, Inc. for the establishment of a 50:50 joint venture company to manufacture and distribute ethylene-vinyl acetate (EVA) encapsulating materials for photovoltaic solar modules and all kinds of materials, chemicals metal, substances and products for solar and renewable energy application. Accordingly, MCTI Scientex Solar Sdn. Bhd. was incorporated under the Companies Act, 1965 on 31 March 2011.

Other than the above, there were no material changes in the composition of the Group during the current financial quarter under review.

A12 Contingent liabilities

There were no contingent liabilities or assets for the Group as at the end of the current financial quarter under review.

A13 Capital commitments

Authorised capital commitment not recognised in the interim financial statements as at 30 April 2011 are as follows:

	RM'000
Approved and contracted for purchase of plant and machinery	<u>13,007</u>

A14 Related party transaction

The Group's related party transaction in the current financial quarter and current financial period ended 30 April 2011 are as follows:

	3 months ended 30.4.2011 RM'000	9 months ended 30.4.2011 RM'000
Purchase of goods from associated company	<u>8,193</u>	<u>21,683</u>

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2011**

B1 Review of performance

The Group recorded a revenue of RM217.3 million for the current financial quarter ended 30 April 2011, an increase of 21.1% as compared to RM179.5 million recorded in the preceding financial year corresponding quarter. Revenue of the Group for the current financial period increased by 19.0% from RM503.1 million to RM598.8 million as compared to the preceding financial year corresponding period. The higher revenue achieved was contributed by both manufacturing and property division.

Profit before taxation of the Group for the current financial quarter ended 30 April 2011 was RM25.9 million, an increase of 34.2% as compared to RM19.3 million recorded in the preceding financial year corresponding quarter. The Group achieved a profit before taxation of RM70.7 million in the current financial period as compared to RM49.0 million recorded in the preceding financial year corresponding period, representing an increase of 44.1%. The higher profit before taxation was consistent with the higher revenue achieved by both manufacturing and property division.

B2 Variations of the quarterly results as compared to the results of the preceding quarter

For the current financial quarter under review, the Group recorded a revenue of RM217.3 million, an increase of approximately 11.5% as compared to RM194.9 million recorded in the preceding financial quarter. The increase is contributed by both the property and manufacturing division.

Profit before taxation for the current financial quarter under review was RM25.9 million, an increase of 8.9% as compared to RM23.8 million recorded in the preceding financial quarter.

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B3 Current financial year prospects

In tandem with the growth experienced by the Asian economies, the Group has achieved higher revenue and profit for the current financial quarter ended 30 April 2011. The Group continues to remain focused on its expansion efforts to increase capacity for its industrial packaging products to meet the increase in demand and will continue to leverage on operational cost efficiency to ensure that its products are competitively priced in order to penetrate more markets. The Group will also continue to monitor closely and remain vigilant to the external changes in its operating environment. With the recent formation of MCTI Scientex Solar Sdn. Bhd., the company has started construction of its factory which will be ready by end of this year. The machine installation and test run shall be completed by first half of 2012 and the company is expected to contribute positively thereafter.

Barring unforeseen circumstances, the Malaysian economy is expected to achieve growth of 5-6% in 2011 with strong demand for properties being experienced at certain hotspots in the country. Apart from the Government's initiatives outlined for Iskandar Malaysia, the Government's recent announcement for the setting up of a proposed multi-billion dollar integrated refinery and petrochemicals complex in Southern Johor will certainly act as a further boost for the demand of properties within its surrounding areas. The Group is cautiously optimistic that demand for its properties would continue to receive healthy response. In addition, the implementation of the 10th Malaysia Plan as well as the Economic Transformation Programmes announced by the Government would also spur development within the Iskandar Malaysia region and this would see an increase in demand for commercial and residential properties within the development areas of which the Group's development projects are located.

B4 Variations of actual profit from forecast profit

This note is not applicable as the Group did not issue and publish any profit forecast for the current financial quarter under review.

B5 Taxation

Details of tax expense for the current financial quarter were as follows :-

	3 months ended		9 months ended	
	30.4.2011	30.4.2010	30.4.2011	30.4.2010
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter :				
- Income tax	4,747	2,046	12,360	5,122

The Group's effective tax rate for the current financial quarter and current year to date is lower than the statutory income tax rate mainly due to utilisation of tax incentives by some of the subsidiaries.

B6 Realised and unrealised profits

	Current quarter ended 30.4.2011 RM'000
Total retained profit of the Company and its subsidiaries :	
- Realised	322,366
- Unrealised	593
	322,959
Total share of retained profits from associated company / jointly controlled entity:	
- Realised	6,895
- Unrealised	(203)
	329,651
Less: Consolidation adjustments	(33,749)
Total Group retained profits as per consolidated accounts	295,902

Comparison amounts are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosure.

B7 Profit/(loss) on sale of unquoted investments and/or properties

There was no profit or loss on sale of unquoted investment and/or properties outside the ordinary course of the Group's business for the current financial quarter and current year to date under review.

B8 Quoted securities

(a) There were no additions or disposals of quoted securities for the current financial quarter under review.

(b) There were no investments in quoted securities as at the end of the current financial quarter under review.

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B9 Status of corporate proposals

There were no material corporate proposals announced and not completed as at the date of this report.

B10 Borrowings and debt securities

The Group's borrowings as at 30 April 2011 were as follows :-

(a) Long Term Borrowings	RM'000	RM'000
Term Loan		
-Secured	296	
-Unsecured	18,125	18,421
(b) Short Term Borrowings		
- Secured		
Term loan	198	
Other bank borrowings	5,800	
- Unsecured		
Term loan	10,348	
Other bank borrowings	31,029	47,375
		65,796
Included in total borrowings are borrowings denominated in foreign currencies		RM'000
- United States Dollars		Equivalent 4,070
- Japanese Yen		180
		4,250

B11 Derivative Financial instruments

With the adoption of FRS 139, financial derivatives are recognised on their respective contract dates. The related accounting policies are disclosed in Note A1 in the section on Notes to the Interim Financial Report.

As at the date of the statement of financial position 30 April 2011, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract amount RM'000	Fair value amount RM'000
Currency forward contracts:		
- Less than 1 year	10,570	10,230

During the current financial quarter and period, the Group recognised a loss of RM0.52 million and a gain of RM0.34 million respectively, arising from fair value changes in derivatives assets. The fair value changes were attributable to the changes in foreign exchange spot and forward rate.

The contracted rates will be used to convert the foreign currency amounts into Ringgit Malaysia. No cash outlay was required for the derivatives.

Derivative financial instruments are viewed as risk management tools by the Company and are not used for trading or speculative purposes.

For the current financial period ended 30 April 2011, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

B12 Material litigation

There was no material litigation involving any member of the Group as at the date of this report.

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B13 Dividends

In respect of the financial year ending 31 July 2011, the Board of Directors declared a single tier interim dividend of 10%, payable on 21 July 2011.

B14 Earnings per share

		3 months ended		9 months ended	
		30.4.2011	30.4.2010	30.4.2011	30.4.2010
(a) Basic earnings per share					
Profit attributable to equity holders of the Company	(RM'000)	20,388	16,823	56,469	42,489
Weighted average number of ordinary shares in issue	('000)	215,040	215,404	215,251	215,404
Basic earnings per share	(sen)	<u>9.48</u>	<u>7.81</u>	<u>26.23</u>	<u>19.73</u>

(b) Fully diluted earnings per share

There was no dilution in earnings per share as there was no dilutive potential ordinary shares as at 30 April 2011.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)
Company Secretary

21 June 2011